

Robert Buck, Retired Teacher

Appropriations Committee Public Hearing
March 3, 2015

HB 6824 AN ACT CONCERNING THE STATE BUDGET FOR THE
BIENNIUM ENDING JUNE THIRTIETH 2017

Good evening Senator Bye, Representative Walker and members of the Appropriations Committee. My name is Robert Buck. I am a retired Connecticut teacher. I am here to express my thoughts about how the Governor's proposed budget will affect the funding of the Retired Teachers' Health Care Fund known as HIPA.

When I retired, I thought that the cost of health insurance was manageable. That was until the insurance rates doubled and tripled. And then I found that I could not get Medicare until my spouse turned 62. I am seven years older than my wife. I had to pay for Medicare Part A for several years even though I couldn't use it. I worried that I would see the day when I would have difficulties paying for health insurance. Now I am concerned about the underfunding of the HIPA

Active teachers pay into the fund. They contribute 1/3 of the financial support for the fund, and 1/3 is paid by retired teachers. 1/3 is supposed to come from the State, but in recent years the State has not been paying its full share. It has reduced its 1/3 share to 1/4. It has used federal reimbursements to count towards its contributions. That makes the 1/4 share actually 1/8. In 2013 the fund should have received from the State, \$36 million dollars, but the actual amount was \$17 million. The State's actions have cost the fund over \$100 million in the last several years. That money that could have been put into a trust to earn revenue and assure that the fund would meet the needs of retirees.

The number of retired teachers is growing. There are 23,800 retirees enrolled in the system. At the same time the number of active teachers supporting the fund is decreasing.

Now the Governor's proposed budget aims to keep the State's contribution at the 1/4 level until 2018. The reduction of the State's contribution is threatening the long term solvency of the fund.

Active and retired teachers have been paying into the fund for years. It is time for the State to honor its obligation by fully funding its share and keeping the Retired Teachers Health Care Fund solvent.

Thank you,
Robert Buck
12 Walnut Farms Drive
Farmington, CT